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Trade Policy Monitoring

Fischler updates EU offer for Doha Round

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Report Highlights:

Following the mini-Ministerial in Montreal, EU Farm Commissioner Franz Fischler outlined an updated EU offer for the Doha Round Agricultural Negotiations involving a 60% cut in Amber Box support levels, elimination of EU export subsidies for 'certain products' (with a quid pro quo on state trading, export credits and food aid) and 36% tariff cuts.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
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In a speech given at the press conference at the end of the Montreal mini-Ministerial, the EU Commissioner for Agriculture Franz Fischler extended the EU's negotiating position, with new proposals for each of the three pillars of the Doha Development Round Agricultural negotiations: domestic support, market access and export subsidies.

For domestic support, following the recent political agreement on CAP reform, Fischler stated a willingness to cut the amount allowed in the Amber box by 60%. For export subsidies, Fischler stated that the EU was prepared to eliminate export subsidies for certain products with a quid pro quo on state trading, export credits and food aid from other countries. European press have reported that the products the Commission currently has in mind for eliminating export subsidies are olive oil, oilseeds and tobacco.

On market access, Fischler proposed a 36% tariff cut, with the possibility of opening or expand tariff rate quotas for certain sensitive products, though these were not defined. This level of tariff cut is comparable to those enacted in the Uruguay Round and is less than US and the Cairns group have called for. Fischler justified the tariff cut offer by saying that for the other two pillars, the EU has made "ambitious proposals".

In defining a new offer, the Commissioner called on other countries to do likewise.

The EU Trade Commissioner Pascal Lamy's spokeswoman gave calm assessment of the Montreal mini-Ministerial, "We have made small progress on agriculture,...", while Fischler's spokesman was more upbeat, declaring the meeting "most productive". He did however stress that much "hard hard work" remains to be done. He was also eager to point out that discussions between the Commission and the US should not be seen as "cooking up deals", in a reference to the other members of the WTO not being kept out of the decision making process.

The next formal discussions are scheduled for Geneva on the 11th August.

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